

## 15J - PENSION OBLIGATION BONDS DEBT SERVICE

### Operational Summary

#### Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2005-2006 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

#### At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	17,377,799
Total Final FY 2005-2006	25,478,560
Percent of County General Fund:	N/A
Total Employees:	.00

#### Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

### Budget Summary

#### Final Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev <sup>(1)</sup> As of 6/30/05	Final Budget	Actual Amount	Percent
Total Revenues	173,025,126	19,200,051	19,017,855	25,478,560	6,460,705	33.97
Total Requirements	165,065,075	19,200,051	18,903,540	25,478,560	6,575,020	34.78
Balance	7,960,051	0	114,315	0	(114,315)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page page 626

## 15J - Pension Obligation Bonds Debt Service

### Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004		FY 2004-2005	FY 2004-2005	Change from FY 2004-2005		
	FY 2003-2004	Budget		Actual Exp/Rev <sup>(1)</sup>	FY 2005-2006	Actual	
	Actual Exp/Rev	As of 6/30/05	As of 6/30/05	Final Budget	Amount	Percent	
Revenue from Use of Money and Property	\$ 1,963,177	\$ 4,300,000	\$ 3,288,875	\$ 9,365,134	\$ 6,076,259	184.75%	
Miscellaneous Revenues	15	0	0	0	0	0.00	
Other Financing Sources	7,102,846	6,940,000	7,768,929	7,025,000	(743,929)	-9.57	
Total FBA	163,959,088	7,960,051	7,960,051	1,409,634	(6,550,417)	-82.29	
Reserves	0	0	0	7,678,792	7,678,792	0.00	
Total Revenues	173,025,126	19,200,051	19,017,855	25,478,560	6,460,705	33.97	
Services & Supplies	55,856	100,650	51,479	153,113	101,634	197.42	
Other Charges	7,543,110	8,173,660	8,173,660	17,325,447	9,151,788	111.96	
Other Financing Uses	7,073,874	9,400,000	9,152,661	8,000,000	(1,152,661)	-12.59	
Reserves	150,392,235	1,525,741	1,525,741	0	(1,525,741)	-100.00	
Total Requirements	165,065,075	19,200,051	18,903,540	25,478,560	6,575,020	34.78	
Balance	\$ 7,960,051	\$ 0	\$ 114,315	\$ 0	\$ (114,315)	-100.00%	

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.